

income children. In 2005, GAO issued a report that raised concerns about the effectiveness of the Department of Health and Human Services (HHS) Administration for Children and Families' (ACF) oversight of about 1,600 local organizations that receive nearly \$7 billion in Head Start grants. The report found that among other program risks, ACF made limited use of financial reports and audits to ensure that all grantees effectively resolved financial management problems. ACF had also made little use of its authority to terminate grantees that did not meet program requirements and fund new grantees to replace them. A GAO report released just last month found that ACF has not undertaken a comprehensive assessment of risks to the federal Head Start program, despite the 2005 recommendation. The report stated, "In light of federal budget limitations and increasing expectations for program accountability, ACF's ability to demonstrate effective stewardship over billions of dollars in Head Start grants has never been more critical."

Working for America Institute

The Department of Labor's Working for America Institute (WFA) was originally funded through the Workforce Investment Act in 1998 which revised job training laws and set up systems of local and state "Workforce Investment Boards." WFA and other organizations were funded across the country to help the new Boards develop their capacity to implement WIA. The Department of Labor phased out the capacity building programs in 2003 after they determined that the Boards had enough capacity and experience with WIA implementation and that funding should instead go to actual service delivery for job training programs. DOL also found that the assistance provided by WFA was duplicative and less effective than similar programs already funded through DOL's Employment and Training Administration which has the primary mission of administering federal job training programs. Despite the duplication and ineffectiveness, WFA received \$3.5 million in Congressional funding from 2004–2007.

Small Business Child Care Grants

This brand new program directs the Secretary of Health and Human Services to establish grants to assist states in providing funds to encourage the establishment and operation of employer-operated child-care programs. The program is unnecessary and duplicative. HHS already administers the Child Care and Development Fund which consists of two block grants totaling more than \$5 billion annually available to States for providing child care to low income workers. Additionally, states can transfer funds from their TANF block grants for child care assistance. In FY06 States transferred more than \$1.8 billion from TANF for child care and could have transferred even more since States left \$2.15 billion unspent in their TANF accounts. Another HHS program available to states for various purposes including child care assistance is the Social Services Block Grant. Child care assistance routinely ranks in the top 5 uses for the grant with states spending about \$1.7 billion annually on child care assistance. Despite the billions of HHS grant dollars already available and utilized by States for child care assistance, the Small Business Child Care Grant program was funded by Congress at \$5 million in 2007.

Dwight D. Eisenhower Memorial Commission

The Commission was authorized in FY2000 to create an enduring Eisenhower National Memorial in the nation's capital. The Commission selected a site for the Memorial and won Congressional approval in 2006. The memorial site is near the Department of Education which was originally created by Ike within the "Department of Health, Edu-

cation and Welfare" which later split into HHS and Department of Education. The Commission's next step is to select a design for the memorial. Since 2000, Congress has allocated \$6.35 million to the still unfinished project.

Community Development Block Grants. The Community Development Block Grant, or CDBG, program is a \$3.87 billion program housed at the Department of Housing and Urban Development. CDBG transfers federal funds to certain local governments for broad uses such as housing, so-called "economic development" activities, social services, and infrastructure. CDBG has insufficient accountability, ambiguous goals, untargeted funding and no standardized outcome indicators. The CDBG formulas used to disperse the funding have not been updated since the late 1970's. As a result, many wealthy communities receive 3–4 times more CDBG funds per capita than many poor communities. As one example of unfair targeting, in 2005, Temple, TX had an average \$20,000 per capita income and received \$15 per capita in CDBG funds. Meanwhile, wealthy Oak Park, IL averaged \$36,000 per capita income and received \$39 per capita from the program. Portions of CDBG are used by Appropriators to carve out earmarks for things like aquariums, speed skating rinks, ski chalets, white-water rapid training centers, boat houses and parking garages. Since 2005, the total cost of these earmarks ranged from \$180 to \$350 million. During the past 3 years, the Inspector General has audited a miniscule number of CDBG grantees and yet found more than \$100 million in waste, fraud and abuse of CDBG funds. If the Inspector General had the resources to comprehensively audit the program, the total waste and abuse of funds could be many times greater.

TV Converter Box Coupon Program. The Department of Commerce TV Converter Box Coupon Program was established in 2005 to help people pay for the equipment they would need to keep their televisions working once all broadcast signals convert to a digital format next year. Starting in January of this year, every household in America became eligible to request up to two \$40 coupons from the Dept. of Commerce to pay for converter boxes for their televisions. Columnist George Will, outraged by Congress' willingness to turn television into an entitlement, dubbed the provision that created this program the "No Couch Potato Left Behind Act." Ironically, the \$3 billion that was authorized for this program came out of the "Deficit Reduction Act," though it will do nothing but add to the deficit. Even though the administration is only requesting \$130 million for FY2009, this program is wasteful in any amount because it uses taxpayer money to pay for private television use at a time of deficit spending.

Official Time for Unions. Federal employees are allowed under current law to do union work while on the clock for their federal government job—this is known as "official time." Between 2002–2004 federal employees consumed 13.6 million hours of official time to do union work, which is equivalent to more than 6,500 full-time work years over that time. Incidentally, there are numerous reports of federal employees who do no work for their employing agencies at all, but are paid entirely to work on behalf of their union. The estimated cost of paying federal employees to do union work over just those three years is about \$300–\$400 million. This means that taxpayers who might not support the political aims of federal unions are being forced to subsidize their operations on a massive scale. While the Administration started collecting government-wide statistics for official time in 2004, official time has remained stubbornly in place and is badly in need of being addressed by the Congress. Ideally, federal employees would be limited

in their ability to do union work no more than 10% of the time, though even that seems far higher than is reasonable.

Additional Examples of Fraud Waste and Abuse of Taxpayer Dollars 2008

National Science Foundation grant money misspent to purchase Waverunner, Wide-screen TV, season tickets to football games, a \$1,900 frozen-drink-machine, and holographic lighted palm trees. Federal agents recently searched the home of a former Georgia Tech employee who is accused of ringing up more than \$316,000 in personal charges on her state-issued credit card, using grant money from the National Science Foundation, federal documents charge. The former administrative coordinator bought more than 3,800 items, including a Waverunner personal watercraft, a wide-screen television, and items ranging from season tickets to Auburn University football games in Alabama to a \$1,900 frozen drink machine and holographic lighted palm trees. She also bought an electric double wall oven, dishwasher and high priced Henckels knives for her kitchen. She charged air conditioning units for her RV and had hundreds of packages shipped to her Marietta home, charging thousands of dollars at Web sites such as Amazon.com and Nordstrom. The staggering number of purchases went unnoticed until August 2007, when a tipster contacted the Georgia Tech Department of Internal Auditing, according to the search warrant."

Local and national taxpayers suffer due to poor oversight over D.C. Health Safety network \$129 million annual program. The District of Columbia launched the D.C. Healthcare Alliance in 2001. The program, which faced a \$40 million deficit last year, provides free care to D.C. residents who earn too little to afford private insurance but too much to qualify for Medicaid benefits, and has a budget this year of \$129 million. Lax oversight over the program has opened the door to costly fraud, critics of the program have said. A new audit details the complete failure of the D.C. government to prevent outsiders from ripping off a health care program financed by city taxpayers that is designed to provide a safety net for the city's poorest. One audit finding showed that eleven District addresses, not including homeless shelters, accounted for 271 Alliance members, and another 216 addresses accounted for 1,866 members. The auditor also found that 16,720 of 63,167 Alliance data records contained no Social Security number, which may be explained by a large number of illegal immigrants in the program. The alliance costs the District \$212.21 per member per month, meaning local and federal taxpayers are out 1 million a year for every 400 people who scam it. In 2008, \$3.9 million come from federal tax dollars.

Ohio Association of Chiefs of Police unit told to halt spending association misspent tens of thousands of Homeland Security grant dollars on services such as lawn care, window washing and pest control. Taxpayers have a right to expect that the millions of dollars from their pockets spent to bolster state's homeland security efforts will have concrete results. Instead, one state agency misspent more than \$182,000 in 2005. According to a recent Inspector General report, "A state agency has ordered the Ohio Association of Chiefs of Police to stop spending homeland security money while a federal auditor reviews allegations of misspending." A state audit found the chiefs association has misspent tens of thousands of federal dollars on such services as lawn care, window washing and pest control, and has continued to fail to document hundreds of other costs. The chiefs association was awarded \$7 million a year in 2004, 2005 and 2006, tripling a